

ARMY RDT&E BUDGET ITEM JUSTIFICATION (R-2 Exhibit)							June 2001				
BUDGET ACTIVITY 4 - DEM/VAL				PE NUMBER AND TITLE 0603869A - MEADS				PROJECT 01B			
COST (In Thousands)		FY 2000 Actual	FY 2001 Estimate	FY 2002 Estimate	FY 2003 Estimate	FY 2004 Estimate	FY 2005 Estimate	FY 2006 Estimate	FY 2007 Estimate	Cost to Complete	Total Cost
01B	MEDIUM EXTENDED AIR DEFENSE SYSTEM (MEADS)	0	0	73645	0	0	0	0	0	0	0

A. Mission Description and Budget Item Justification:

PLEASE NOTE: This administration has not addressed FY2003-2007 requirements. All FY 2003-2007 budget estimates included in this book are notional only and subject to change.

The Medium Extended Air Defense System (MEADS) is an objective force system. It is an international cooperative program essential to fulfill the requirements of the U.S. Army and the U.S. Marine Corps for a low-medium air defense system in the 21st century. MEADS will offer a significant improvement in tactical mobility and strategic deployability over comparable missile systems. It will defend the maneuver force and other critical forward-deployed assets against short and medium range Theater Ballistic Missiles (TBMs), cruise missiles and other air-breathing threats throughout all phases of tactical operations. MEADS will operate both in an enclave with upper-tier systems in areas of debarkation and assembly and provide continuous coverage alone or with SHORAD systems in the division area of the battlefield during movement to contact and decisive operations. MEADS will be interoperable with other airborne and ground-based sensors and utilize a netted and distributed architecture and modularly-configurable battle elements to provide a robust, 360-degree defense against short and medium range TBMs, cruise missiles, unmanned-aerial-vehicles, tactical air to surface missiles, rotary-wing and fixed-wing threats.

The MEADS program has been restructured to leverage the interceptor from the PATRIOT Advanced Capability-3 (PAC-3) program and to extend the Program Definition/Validation (PD/V) phase with a three-year Risk Reduction Effort (RRE) that focuses on developing the critical technologies required for maneuver force protection and overall risk reduction. U.S. funded bridging effort commenced on 14 August 2000 to begin work on the highest risk and long-lead items in the RRE Scope of Work. International Memorandum of Understanding (MOU) was signed 27 Jun 2001, the RRE contract will be awarded 4th Qtr FY01.

There remains a critical void in maneuver force defense against short and medium range TBMs, cruise missiles, and low-to-medium altitude advanced air-breathing threats. This program will meet this challenge by integrating the PAC-3 missile and developing the critical technologies required for maneuver force protection, including development of a prototype lightweight launcher, 360-degree radar and tactical operation center. Concepts will be validated through proof-of-principle testing capitalizing on the already programmed Air-Directed Surface-to-Air Missile (ADSAM) demonstration efforts. The PAC-3 missile is the baseline interceptor for MEADS. Sensor and battle management software technology from both U.S. and international programs will be examined to enhance and augment organic-equipment functions, reducing development cost and risk. Improvements will be balanced against costs and the projected threat to develop a U.S. and allied capability to counter the maneuver force threat. The approach emphasizes prototyping of system-specific and surrogate hardware in key areas of Battle Management/Command, Control, Communications, Computers, and Intelligence (BM/C4I), fire control radar, and light weight launcher to satisfy mobility, strategic deployability and interoperability requirements. Cost as an Independent Variable (CAIV) analysis will be applied to the currently defined requirements. This is the first submission under the Army.

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FY 2002 Planned Program

- 54195 Continue U.S. contribution to the NAMEADSMA International Program Office operational and administrative budgets for the MEADS RRE contract and continued development of digital-end simulation, continue development of prototype launcher, fire control and BMC4I hardware and associated software and test planning.
- 6740 Conduct program integration efforts that will examine DOD Joint Vision and Army transformation objective force mix and integration issues; support MEADS in the test and evaluation of AMD task force interoperability and BMDO family-of-system requirements; support development and maintenance of Joint Data Network interface requirements and planning and appropriate planning of MEADS manpower, training, human factors and safety issues.
- 7450 Continue funding for government agencies and support contracts to provide technical analysis and tools in specialty areas of lethality, BMC4I and system simulations, as well as support of conducting independent evaluations of contractor trades and analysis.
- 5260 Continue MEADS program management, support and salaries for both the national and international program offices. Includes U.S. efforts tied to national support of executing the replanned program and preparing for the Milestone B review.

Total 73645

<u>B. Program Change Summary</u>	FY 2000	FY 2001	FY 2002	FY 2003
President's Previous Budget (FY 2001 PB)	0	0	0	0
Appropriated Value	0	0	0	0
Adjustments to Appropriated Value	0	0	0	0
a. Congressional General Reductions	0	0	0	0
b. SBIR / STTR	0	0	0	0
c. Omnibus or Other Above Threshold Reductions	0	0	0	0
d. Below Threshold Reprogramming	0	0	0	0
e. Rescissions	0	0	0	0
Adjustments to Budget Years Since (FY 2001 PB)	0	0	73645	0
Current Budget Submit (FY 2002/2003 PB)	0	0	73645	0

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FY 2002 (+73645): Tranfer of funding to Army to continue MEADS development

<u>C. Other Program Funding Summary</u>	FY 2000	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	To Compl	Total Cost
N/A	0	0	0	0	0	0	0	0	0	0

D. Acquisition Strategy: The MEADS acquisition strategy included competition between two transatlantic industrial teams in the PD-V phase. These two international entities prepared and competed for the Design, Development and Production (PD/V) phases. As the Department of Defense and partner nations restructured the program, the PD/V phase was extended with the selection of a single contractor team to conduct a three-year risk reduction effort (RRE). In August 2000, the Defense Acquisition Executive (DAE) approved entry in the RRE. In this phase, technology from Germany, Italy and the Unmited States, including the PAC-3 missile, will be leveraged to define the most cost-effective solution to meet the MEADS operational requirements. The MEADS Product Office is also pursuing integration of MEADS BMC4I with the Project Manager, Air & Missile Defense Command and Control Systems (AMDCCS), to take advantage of other Army developments that can be incorporated into the MEADS program. Pending formal approval of the International MOU, the RRE contract will be awarded in 4th quarter FY01. A U.S.funded bridging effort commenced on 14 August 2000 to work on the the high-risk areas and long-lead items within the scope of the RRE effort. At the 18th Steering Committee (SC) meeting, the participant nations agreed that in future consideration of RRE cost share the value of this effort should be recognized as applicable services.

<u>E. Schedule Profile</u>	FY 2000	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
Component demonstration completed				0	0	0	0	0
Demonstrate MEADS functionality				0	0	0	0	0
Program review			2Q	0	0	0	0	0
Milestone B				0	0	0	0	0
Design and development phase contract award				0	0	0	0	0

ARMY RDT&E COST ANALYSIS(R-3)									June 2001			
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I. Product Development	Contract Method & Type	Performing Activity & Location	Total PYs Cost	FY 2001 Cost	FY 2001 Award Date	FY 2002 Cost	FY 2002 Award Date	FY 2003 Cost	FY 2003 Award Date	Cost To Complete	Total Cost	Target Value of Contract
a . Risk Reduction	TBD	NAMEADSMA	0	0		52695	2Q	0	0	0	0	0
Subtotal:			0	0		52695		0		0	0	0
II. Support Cost	Contract Method & Type	Performing Activity & Location	Total PYs Cost	FY 2001 Cost	FY 2001 Award Date	FY 2002 Cost	FY 2002 Award Date	FY 2003 Cost	FY 2003 Award Date	Cost To Complete	Total Cost	Target Value of Contract
a . Int'l Program Office	LOE	NAMEADSMA	0	0		1500	2Q	0	0	0	0	0
b . Program Integration	LOE	PEO AMD/BMDO	0	0		6740	2Q	0	0	0	0	0
c . U.S. Contracts	LOE	MEADS Prod Ofc	0	0		2980	2Q	0	0	0	0	0
d . U.S. OGAs	MIPR	MEADS Prod Ofc	0	0		4470	2Q	0	0	0	0	0
Subtotal:			0	0		15690		0		0	0	0

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III. Test and Evaluation	Contract Method & Type	Performing Activity & Location	Total PYs Cost	FY 2001 Cost	FY 2001 Award Date	FY 2002 Cost	FY 2002 Award Date	FY 2003 Cost	FY 2003 Award Date	Cost To Complete	Total Cost	Target Value of Contract
			0	0		0		0		0	0	0
Subtotal:												
IV. Management Services	Contract Method & Type	Performing Activity & Location	Total PYs Cost	FY 2001 Cost	FY 2001 Award Date	FY 2002 Cost	FY 2002 Award Date	FY 2003 Cost	FY 2003 Award Date	Cost To Complete	Total Cost	Target Value of Contract
a . Internal Operating	In-House	MEADS Prod Ofc/NAMEADSMA	0	0		5260	2Q	0	0	0	0	0
Subtotal:			0	0		5260		0		0	0	0
Project Total Cost:			0	0		73645		0		0	0	0